

Cheltenham Borough Council
Cabinet – 12th July 2022
Cheltenham Christmas Ice Rink

Accountable member	Cllr Max Wilkinson, Cabinet Member for Economic Development, Culture, Tourism and Wellbeing
Accountable officer	Tracey Birkinshaw, Director of Communities and Economic Development
Ward(s) affected	All
Key/Significant Decision	Yes
Executive summary	<p>Cheltenham Borough Council led the delivery of the town’s Christmas ice rink in 2021. It welcomed over 43,000 skaters, making a significant contribution to Cheltenham’s festive offering and providing a much needed boost to town centre footfall and trading after such a challenging period. Spending in the town from the ice rink and Christmas Market totalled £14m. The ice rink itself covered its costs and made a small £5k surplus. It received significant positive public support and the Marketing Cheltenham Team have been working on a small number of areas identified for improvement arising from the 2022 installation, reported to Cabinet on 1st March 2022. This report summarises this at section 6, but does not repeat the earlier report,</p> <p><i>The focus of this report is the financial case and the decision making for this.</i></p> <p>In March, Cabinet noted the significant success of the ice rink and agreed that the Council should seek to provide a further temporary ice rink in Cheltenham for the 2022 Christmas period. This agreement was subject to:</p> <ul style="list-style-type: none"> a) a fully costed business case; b) securing the necessary planning consents; c) procuring an operator; d) the final commitment being brought back to Cabinet for approval (this report). <p>This paper therefore sets out the costed business case and financial implications for the ice rink.</p>
Recommendations	<p>That Cabinet</p> <ol style="list-style-type: none"> 1. Approves, in advance of planning permission being considered by the Planning Committee on (anticipated 18 August 2022), and noting the costs and risks set out in this report, for Cheltenham Borough Council to lead the delivery of an Ice Rink in Cheltenham for the 2022 Christmas period; 2. Approves a total potential financial commitment as set out in section 2.22 of this report alongside the income targets;

- 3. Notes that officers are progressing procurement and delegates appointment of a contractor to provide the Ice Rink to the Director of Communities and Economic Development, including agreeing the terms of the contract and entrance fees in consultation with Director of Finance and Assets and the Cabinet Member for Economic Development, Culture, Tourism and Wellbeing.**

Financial implications	<p>CBC will be required to enter into a contract with an ice rink operator, whilst incurring other direct costs to support the successful delivery of the event. This will mean a potential total financial commitment of up to £350,000.</p> <p>In the 2022/23 budget, a sum of £350,000 has been identified in Marketing Cheltenham's operational budget for the creation/contribution towards an event in Cheltenham in 2022/23. There is also an income target of £395,000 for the event which generates a net contribution of £45,000 to support the wider activities of Marketing Cheltenham during the year.</p> <p>The budget projections were generated from event information from 2021. Ongoing financial monitoring support will be provided to project officers to ensure that timely and informed decisions can be made to maximise the financial success of the event.</p> <p>Contact officer: Gemma Bell, Director of Finance and Assets, Gemma.Bell@cheltenham.gov.uk</p>
Legal implications	<p>Section 145 of the Local Government Act 1972 grants a wide power to local authorities to provide entertainment. The powers also permits the charging of admission fees and the setting aside of areas of parks or 'pleasure grounds' for that purpose.</p> <p>This type of service will fall within the 'light-touch regime' which means that it does not meet the threshold of £663,540 (inc. VAT) to be competitively tendered via the Find a Tender Service (replacement for OJEU). However, the Council will need to follow its contract rules, which does require a competitive tendering process.</p> <p>Contact officer: One Legal: legalservices@onelegal.org.uk</p>
HR implications (including learning and organisational development)	<p>There are no HR implications to be considered</p> <p>Contact officer: Clare Jones, clare.jones@publicagroup.uk</p>
Key risks	<p>See risk assessment attached as Appendix 1</p>
Corporate and community plan Implications	<p>Through Cheltenham Borough Council's Recovery Strategy and the Cheltenham Economic Recovery Task Force, supporting the reopening, reinvention and revitalisation of the town centre has been identified as a clear strategic priority in helping to drive the town's economic recovery.</p> <p>Creating more compelling reasons for people to come into the town, including a wider range of experiences that are able to stimulate increased footfall – such as a Christmas ice rink - have been recognised as an important way of achieving this. This is further reinforced in the Council's interim events strategy.</p> <p>Contact officer: Tracey Birkinshaw, Director of Community and Economic Development, Tracey.Birkinshaw@cheltenham.gov.uk</p>

<p>Environmental and climate change implications</p>	<p>By its very nature, at times an ice rink inevitably requires a relatively high power supply to maintain the temperature and integrity of the ice. As set out in the risk assessment, any environmental impact from the use of an ancillary power supply will be minimised where possible through the use of an eco/hybrid or bio-fuel generator(s). In response to the Council's own commitment and response to the climate emergency, the installation of an additional, permanent power supply into this and other event sites remains a priority. A project is underway to assess how a fixed power infrastructure can be delivered.</p> <p>Learnings from the 2021 event will be applied, including the implementation of robust and effective noise mitigation measures, reduced impact of light spill/pollution affecting residential areas and improved site dressing and aesthetics.</p> <p>Once again, the provision of additional bins will be budgeted for in the event plan with additional recycling and collection services in and around the rink.</p> <p>Alternative travel and access plans will also be put in place, including joint communications outputs with stagecoach for local bus and P&R services including potential ticket incentives.</p> <p>Contact officer: Tracey Birkinshaw, Director of Community and Economic Development, Tracey.Birkinshaw@cheltenham.gov.uk</p>
<p>Property/Asset Implications</p>	<p>The ice rink will be located on Council land. A licence application may be required by the operator setting out the conditions of using this land. This would include repair of any damage to the land once the ice rink and infrastructure is removed.</p> <p>As part of any licence application, the operator would be required to complete a full risk assessment, method statement and provide evidence that Public Liability Insurance was in place for the event.</p> <p>Should this responsibility fall to Marketing Cheltenham as the organiser on behalf of the Council, there will need to be sufficient budget and resource included in the financials to cover these requirements.</p> <p>Contact officer: Gemma Bell, Director of Finance and Assets, Gemma.Bell@cheltenham.gov.uk</p>

1. Background

- 1.1 As noted in the reports relating to the delivery of the Ice Rink in 2021, Cheltenham has long aspired to host an ice rink as part of its Christmas offering, supported by the positive public response. This aspiration was realised in 2021 following the Council's decision (Cabinet, 14 September 2021) to take on the organisation, delivery and financial underwriting of an ice rink in Imperial Gardens.
- 1.2 The ice rink, located in Imperial Gardens, ran for 45 days and welcomed over 43,000 skaters, making a significant contribution to Cheltenham's festive offering and providing a much needed boost to town centre footfall and trading after such a challenging period arising from the Covid-19 pandemic. Spending in the town from the ice rink and Christmas Market totalled £14m. The rink itself covered its costs and made a small £5k surplus.
- 1.3 In March, Cabinet (1 March 2022) noted the success of this event and agreed that the Council should seek to provide a further temporary ice rink in Cheltenham for the 2022 Christmas period. This agreement was subject to:
- a) a fully costed business case;
 - b) securing the necessary planning consents;
 - c) procuring an operator;
 - d) the final commitment being brought back to Cabinet for approval.
- 1.4 This paper therefore deals with point d) of the above and sets out the costed business case and financial implications for the ice rink and a recommendation that, in advance of planning permission being approved, the Council agrees to lead its delivery and facilitate the financials in line with this business case. Should Cabinet wish to review in more detail the assessment of the 2021 ice rink, the March Cabinet report is listed as a background document to this report for information and the 2021 Christmas Survey and Economic Impact Report provided at appendix 2 of this report.

2. Reasons for recommendations

Business Case - Strategic

- 2.1 Following on from the challenges of the Covid-19 pandemic over the past two years – and the now increasingly challenging economic climate, just as in 2021, the 2022 Christmas period will be a hugely important trading period for businesses in the town. Returning and ice rink to Cheltenham as a central feature to its Christmas offering, has the potential to again be a major driver of footfall and an opportunity to significantly enhance and elevate the town's seasonal offer, play a vital role in supporting its economic recovery and positioning Cheltenham proactively against its competitors within the visitor economy both locally and regionally.
- 2.2 As reported in the March 2022 paper to Cabinet, an evaluation and economic impact report into both the ice rink and Christmas Market in 2021 (see appendix 2) confirmed that these events played a significant part in helping to drive increased visitors, footfall and custom into the town itself:
- Of the estimated 280,000 visits to Cheltenham that these events generated, 31% were from visitors (non-residents/locals) and 69% from locals.
 - Of those visiting the ice rink, 83% said visiting the ice rink was the main reason for visiting the town on that day (29% for the Christmas Market). However, other than visiting the ice

rink or Christmas Market, a significant 68% of respondents also went shopping in town and 69% bought something to eat or drink in the town.

- There is strong evidence that the ice rink and market also helped to drive footfall into other parts of the town. 90% of respondents to the evaluation survey visited the Promenade/Montpellier areas of the town; 75% the High Street; 29% The Suffolks, Tivoli or Bath Road and 28% Pittville.

2.3 In total, it is estimated that visits associated with the ice rink and market generated **a total spend of £14m in Cheltenham**, with £3.3m of this spend estimated to be additional and only occurred due to the presence of either the Ice Rink or the Market.

2.4 **Local business turnover** as a result of the total additional associated spending at the market was estimated at **approximately £4.3m**.

2.5 It's also important to recognise the role the ice rink played in giving back to the community. The ice rink provided a unique opportunity to engage young people and families from across the borough and wider county. In 2021, a partnership with the Council's flagship community initiative No Child Left Behind, meant that more than 500 of our most vulnerable families were able to enjoy free or discounted ice skating and were able to experience this spectacular event.

2.6 All of the above outcomes and benefits were also achieved against a backdrop of a still-cautious public, with the emergence of the Omicron variant during November and into December 2021, perhaps inevitably having some impact on consumer confidence and participation in such events.

2.7 The strategic rationale for a return of an ice rink in 2022 is therefore based on the same principle premise:

- to support the town's economic recovery, in particular the retail and hospitality businesses worst hit by the pandemic;
- to drive incremental footfall and spending in the town and to ensure that Cheltenham remains competitive at this critical time of year;
- to help position Cheltenham regionally and nationally as a destination of choice and drive continued investment.

2.8 Despite the ongoing challenges of the pandemic, the 2021 ice rink proved that such an investment by the Council can bring significant benefits to the town. There is every reason to believe therefore that a repeat in 2022 with, we hope, fewer Covid-risks, would be an even bigger success for the town, local businesses and our community. In writing this report we have reached out to the wider business community and reflections are provided at appendix 3.

2.9 A commitment from the Council to deliver an ice rink as a key event in our festival calendar remains aligned to its Corporate Plan and its wider place and economic growth ambitions. Supporting the revitalisation of the town centre has been identified as a clear strategic priority in helping to drive the town's economic recovery. Creating more compelling reasons for people to come into the town, including a wider range of experiences that are able to stimulate increased footfall – such as a Christmas ice rink - have been recognised as an important way of achieving this.

2.10 The Council's Events Strategy and more recent Cultural Strategy also support these ambitions and recognise the importance of building on the quality and scale of Cheltenham's already renowned festivals and events programme.

2.11 Any approval to proceed with an ice rink in 2022 will be subject to securing planning permission. Cabinet should be assured therefore that, as reported in March, lessons learned from the delivery

of the ice rink in 2021 have and will continue to be acted upon to further mitigate risk and any impact on nearby residential areas from noise and light. Early engagement with the Councils planning team has already taken place and feedback is being incorporated into the planning application that will be submitted.

- 2.12 It is recognised that the use of a diesel generator as the principal source of power for the rink runs counter to the Council’s climate commitments. The current absence of sufficient electrical power supply to Imperial Gardens and our other town centre and garden/park event sites means that the use of ancillary power source(s) will invariably be required at present for our larger events. However, we have been clear with our requirements when considering prospective ice rink operators – that standard diesel generators will not be an acceptable source of power for the ice rink in 2022 and only those proposals that will work with the Council to deliver alternative and lower impact power solutions will be considered. Beyond this, the infrastructure investment required to install sufficiently up-rated fixed power supplies to our main events sites is now being further progressed as a priority, although such is the scale and complexity of this project, it will not be delivered this year and is targeted for 2023 delivery.
- 2.13 As a reference point for future monitoring the ice rink last year used a total of 44,530 litres of diesel equating to 117.51 tonnes CO2e. Based on our declared emissions in 2020-21 of 5,070 tonnes CO2e, the ice rink generators therefore increased the councils organisational emissions by 2.32%. This figure related to the diesel use only and does not include other emissions associated with the event, such as travel to and from the ice rink. This was calculated as a percentage of CBC emissions, not borough wide emission as the fuel was directly consumed by a CBC procured activity.
- 2.14 For 2022, alongside refining our procurement processes, we will also be investigating assessing our carbon impact via online tools, such as the TRACE reporting tool, this would enable the council to assess impacts beyond fuel consumption as noted in the illustration below.

Capture emissions from venue energy and temporary power sources



Assess the impact of event location on travel and accommodation for attendees and crew



Ascertain how different material choices impact your carbon emissions and track the lifecycle of these elements.

Capture emissions from venue energy and temporary power sources



Calculate F&B emission impacts for attendees and crew, plus understand the food waste footprint.



Understand your production transport footprint from truck to couriers and overseas freight

- 2.15 Through Marketing Cheltenham, an ongoing and constructive dialogue has been maintained with local residents and Environmental Health Officers on these matters and it is our commitment to continue this. Feedback from this is being fed into the 2022 planning application.
- 2.16 Subject to Cabinet’s approval of this business case and funding commitment, it is the intention that planning permission the ice rink will be considered at the 18 August 2022 Planning Committee.

Business Case – Financial

- 2.17 As set out in 2021, the nature of temporary ice rinks, or any event installations of this nature, are that they are inherently high-cost - yet equally offer the potential for high return through the revenue generated by ticket sales. Inevitably however, the costs are almost entirely fixed, whilst the income from ticket sales cannot be guaranteed. Therein lies the financial risk.

- 2.18** The table below summarises the actual costs and income from the ice rink in 2021 together with the projected costs and income for 2022. As previously reported, in 2021 the ice rink returned a small surplus to the Council of £5,378 for reinvestment in future events. Whilst costs were higher than originally forecast in 2021 (in-part due to the short lead-in time and the costs of impact mitigation), the overall end position of a break-even/small surplus was consistent with the business case and financial projections.
- 2.19** The costs for 2022 forecast a modest saving on 2021. This is, in-part, based on the fact that unlike in 2021, the Council will conduct its own procurement and contract negotiations – and thus some savings are anticipated. Equally, some of the areas of expenditure in 2021 will not need to be repeated to the same scale (e.g. branding and design work). We will also look at wider commercialisation of activities that support the ice rink event as noted below.
- 2.20** Nevertheless, given the prevailing economic climate and potential for higher supply chain costs in some areas, it is also sensible to budget for operating costs that remain close to those of 2021. Whilst the procurement of an ice rink operator is ongoing at the time of writing – and therefore final costs are awaited - total net costs are projected to be in the region of £325,000 to £350,000 in 2022.
- 2.21** Relative to 2021, income is forecast to increase from a conservative estimate of 3% up to a potential high of 15% (assuming a similar rink capacity and operating days/times to 2021). This is attributable to higher revenues from ticket sales (increased off-peak, group and schools packages rather than higher ticket prices). Given the economic climate, it is proposed that, where possible, ticket prices will be kept at 2021 levels, with additional off-peak savings.
- 2.22** Additional revenue is also predicted from both sponsorship and advertising. With the success of 2021 as a foundation, which now proves the concept, and with a much longer lead-in time, Marketing Cheltenham are in a far stronger position to secure a greater level of corporate sponsorship and advertising packages, hence a projected 29% increase in revenue from this area.
- 2.23** Finally, a clear recommendation from 2021 was the need and opportunity to have an on-site catering concession (hot drinks and snacks) for both skaters and spectators. This catering concession will be subject to its own tender opportunity following the selection of the ice rink operator and setting of the site plan. Based on similar catering concessions with a captive footfall of 40,000+ we are anticipating this to provide a return to the Council of a sum in the region of £5,000 to £10,000.
- 2.24** Total income for 2022 is therefore projected to be in the region of £395,000 to £440,000, resulting in a forecast surplus of between £45,000 and £90,000 for reinvestment.

Costs	2021 (Actual) £	2022 (low Forecast) £	2022 (High Forecast) £
Rink hire, structures, operation and staffing (3 rd party operator)	-292,502	-250,000	-275,000
Other event delivery costs (toilets, security, noise mitigation, marketing etc)	-86,320	-75,000	-75,000
Total Costs	-378,822	-325,000	-350,000
Income			
Ticket Sales and Skate Aids	360,900	360,000 -	400,000

Sponsorship & Advertising	23,300	30,000	30,000
F&B concession	0	5,000	10,000
Total Income	384,200	395,000	440,000
Surplus/Deficit	5,378	45,000	90,000

All figures exclusive of VAT

3. Alternative options considered

- 3.1** As proven in 2021, a seasonal event of this nature is an incredibly effective way of attracting people into the town and generating additional footfall and spend. When combined with Cheltenham's Christmas Market (led by Cheltenham BID, in close collaboration with Marketing Cheltenham) there are therefore few alternatives that could generate this level of sustained visitation and footfall.
- 3.2** Delivery of at least two commercial events annually (one in 2022/23) also forms part of the agreed business model for the Council's Marketing Cheltenham unit. By passing up the opportunity to host such an event, or to simply outsource this, would fail to deliver on this objective.
- 3.3** In terms of its location, the evaluation from 2021 highlighted the importance of the ice rink being located close to town – and the incremental footfall and spend that this generated. The location of Imperial Gardens makes it a particularly effective at driving footfall to other parts of the town, as was again seen in the results from 2021, referred to earlier. Whilst Cheltenham's interim Events Strategy recognises the need for investment in additional event sites beyond Imperial and Montpellier Gardens, there is currently no suitable alternative space close to the town centre for an event of this size and nature - nor would a more peripheral location generate the same footfall and expenditure into the town.

4. How this initiative contributes to the corporate plan

- 4.1** As stated earlier, a commitment such as this from the Council to deliver an ice rink again in 2022 remains aligned to its Corporate Plan and its wider place and economic growth ambitions. Supporting the revitalisation of the town centre has been identified as a clear strategic priority in helping to drive the town's economic recovery. Creating more compelling reasons for people to come into the town, including a wider range of experiences that are able to stimulate increased footfall – such as a Christmas ice rink - have been recognised as an important way of achieving this.

5. Consultation and feedback

- 5.1** A full evaluation report, including both lessons learned and economic impact was presented to Cabinet on 1 March 2022. This resulted in the in-principle decision to approve the progression of ice rink plans for 2022, subject to subsequent approval of the full business case (this paper) and planning permission being secured.
- 5.2** As stated earlier, there has continued to be an open and constructive dialogue with residents on matters relating to events in Imperial Gardens and the potential of a return of the ice rink. Similarly, consultation and dialogue is ongoing across multiple departments of the Council (Planning, Property, Environmental Health, Climate Change) to ensure that events are delivered in the most sustainable form possible and are cognisant of the Council's commitment to move away from ancillary sources of electrical power at these principal event sites.
- 5.3** Should the ice rink progress to delivery, Marketing Cheltenham will continue to work alongside

colleagues to engage with the local community and with businesses in collaboration with Cheltenham BID.

6. Performance management – monitoring and review

- 6.1 Commercial and operating terms are currently being reviewed as part of the procurement of an ice rink operator in consultation with One Legal. These terms will include performance expectations with appropriate review and monitoring procedures in place.
- 6.2 Through our Event Management team, a new method of environmental impact measurement and monitoring will be carried out throughout the life of the event, in consultation with the Council's Environmental Services and Climate Change teams.
- 6.3 As in 2021, a full evaluation survey and economic impact report will be commissioned to assess the wider impact of the ice rink.

Report author	Contact officer: Director of Communities and Economic Development tracey.birkinshaw@cheltenham.gov.uk
Appendices	<ol style="list-style-type: none">1. Risk Assessment2. 2021 Christmas Survey and Economic Impact Report3. Supporting Statements from local businesses
Background information	1 st March Cabinet report – Christmas Ice Rink https://democracy.cheltenham.gov.uk/documents/s39537/2022_03_01_christmas%20ice%20rink_report.pdf

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1	Financial – Potential exposure to financial loss should costs exceed income from ticket sales and sponsorship.	Director of Finance and Assets	May 2022	3	3	12	Reduce	<p>Ensure sufficient lead-time to secure sponsorship and to maximise commercial opportunities.</p> <p>Continue to invest in effective marketing and sales strategy, with sufficient lead-time to maximise ticket sales.</p> <p>Rink will be an all-weather structure with a roof and will therefore continue to operate during spells of poor weather.</p> <p>Limited scope for Covid-related insurance for an event of this nature, however, CBC will need to agree the position with the rink operator about payment of costs should the event need to be cancelled at any stage before</p>	Dec 22	Head of Place Marketing & Inward Investment	Transfer to Clearview if recommendation to support

								or during the event - although there will inevitably be some costs to that point that will be lost and refunds on tickets sold will be necessary.			
2	Reputational – Should the rink go ahead, there is the potential that local residents/ community and businesses in/around Imperial Gardens will be negatively impacted	Director of Community & Economic Development	May 22	3	3	9	Reduce	Ongoing liaison with Planning and Env Health teams and consultees, including local residents and ward councillors. Noise, light, visual impact, traffic and anti-social behaviour impact mitigations to be built into operator contract and implemented where required and able. Neighbouring businesses to be engaged in collaborative package/value-add opportunities.	Dec 22	Head of Place Marketing & Inward Investment	Transfer to Clearview if recommendation to support
3	Reputational – After the success of 2021, the ice rink does not return in 2022 resulting in a negative public and business reaction and potential reputational damage to CBC	Director of Community & Economic Development	May 22	3	2	6	Reduce	Communications and messaging will need to explain decisions in light of the risks but with commitment to alternative event/support and wider Christmas offering.	July 22	Head of Place Marketing & Inward Investment	Close post Cabinet meeting

4	Environmental – requirement for generators due to insufficient power supply; additional waste and additional pressure on local roads/traffic; potential damage/impact on Gardens and flower beds	Director of Community & Economic Development	May 22	3	3	9	Reduce	<p>Use of generators to be minimised and conditional on them being eco-friendly/hybrid/bio-fuel type.</p> <p>Following learnings from 2021, fully tested and verified noise mitigation measures will be implemented.</p> <p>Provision of additional bins, recycling and collection services will be budgeted for.</p> <p>Alternative travel and access plans will be put in place, including joint comms with stagecoach for local bus and P&R services including potential ticket incentives.</p> <p>Budget for reinstatement of any damaged ground/ flower beds will again be built into the budget</p>	Nov 22	Head of Place Marketing & Inward Investment	Transfer to Clearview if recommendation to support
Explanatory notes											

Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)

Likelihood – how likely is it that the risk will occur on a scale of 1-6

(1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)

Control - Either: Reduce / Accept / Transfer to 3rd party / Close